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C O N F I D E N T I A L SECTION 01 OF 03 BEIRUT 003124

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TAGS: KCRM LE PREL PTER SY
SUBJECT: LEBANON: MIKATI SEES OPPORTUNITY TO REDESIGN THE

POLITICAL WINDTUNNEL

Classified By: Ambassador Jeffrey D. Feltman for reasons 1.4 (b) and (d

SUMMARY

11. (C) Ambassador Feltman and econoff on 26 September met with former Prime Minister and Syria-allied telecom magnate Najib Mikati, who saw an urgent need for a change in the Lebanese political system within the next six months to preempt further instability and the periodic resurgence of crises. He assessed Hizballah as just as strong as and more legitimate than before the Israeli offensive. Mikati also commented on the Syrian concern over the second UNIIIC report, sang the $\bar{\text{praises}}$ of Central Bank Governor Riad Salameh as a presidential candidate, and condemned Prime Minister Siniora's management of Lebanon's reconstruction. Nevertheless, Mikati does not support a resignation of the Siniora cabinet at this time. End Summary.

LEBANON HAS SIX MONTHS TO REDESIGN ITS POLITICAL WINDTUNNEL WITHIN THE CONTEXT OF THE TAIF ACCORD

- 12. (C) Mikati foresees a "normal" political situation over the short term but expressed deep concern about the future if Lebanon does not address its political problems in the next six months. He likened the current political situation to a windtunnel; "all storms in the area pass through the Lebanese corridor." He sees the next six months as a crucial opportunity to brainstorm ways to "redesign the corridor," to "change the doors or windows" to strengthen and stabilize it. Specifically he opined that the Lebanese state must "brainstorm" a reinterpretation of the Taif Accord, while the Arab League and international community must take action on a new Arab-Israeli peace initiative.
- 13. (C) Any new interpretation of the Lebanese state must take place within the context of the Taif Accord, according to Mikati, which provides ample flexibility to fit all communities. He suggested simultaneous electoral and tax reform along federal and rural lines. Nasrallah's failure to mention Taif during the 22 September Hizballah rally is not significant, in Mikati's opinion. Nasrallah once told Mikati that Hizballah "follows the Qu'ran, the constitution, and Taif, so he doesn't need to mention these each and every time." It is for this reason that Mikati belives Nasrallah does not want to reopen Taif. Mikati interprets Suleiman Franjieh's recent denigration of the Taif Accord not as a Syrian dismissal of the accord but as an attempt to re-unite a alienated Christian population whose loyalties are divided

among Sunni and Shia politicians and the diaspora. "Khalass (enough), it (Taif) has to change, let us be practical."

- ¶4. (C) Furthermore, Mikati believes it will take Arab and international involvement to find a new interpretation. Lebanon needs U.S. assistance addressing the Arab-Israeli issue but the United States should step aside and "let a new committee of three deal with Taif, with U.S. blessing." Peace in Lebanon will require Syrian involvement, according to Mikati; all who govern Lebanon "must pass through Syria."
- 15. (C) To make Taif work, there must be a clearer definition of the central government's role and a decentralization of government, with elections on the regional and federal levels. Confessional federalism would not succeed in Lebanon, according to Mikati, but "advanced decentralization" is needed. The central government could retain its 50-50 split between Muslims and non-Muslims, but there should be four to six Mohafazat or governorates, based on Ottoman-era divisions, with governors elected by the government. "The gap is getting wider," he concluded, and "Lebanon can't stay like this forever."

HIZBALLAH JUST AS STRONG AND MORE LEGITIMATE

16. (C) Hizballah's strength has not changed appreciably since the Israeli offensive began in July, but the group is more legitimate today among Lebanese as well as across the region, Mikati said. Although Nasrallah's National Dialogue prediction that Israel would not attack was proven false his credibility has not suffered. Today Hizballah has leverage over Syria; Syria is a client rather than an ally of Iran.

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- 17. (C) Nasrallah's comment at the 22 September rally that Hizballah would not disarm until Lebanon had a "clean and just state" or a strong state was intended to rouse passions among his followers rather than to be taken literally, according to Mikati, but Lebanon's current weak state is not sustainable beyond the next six months. Hizballah is a "state within a non-state;" visiting IFC officials this week commented to Mikati that Lebanon has no administrative leaders for them to meet with as they do in other nations. Instead they must meet with a series of confessional political leaders in order to get anything done. The United States and France have a role to play in formulating a stronger state, Mikati opined, otherwise Lebanon's crises will continue.
- 18. (C) Regaining Sheba'a farms would remove Hizballah's argument for holding weapons, and there are three main issues that need to be addressed to prompt disarmament, according to Mikati: basic Lebanese political problems, the Arab-Israeli issue, and regional issues, including the Iranian nuclear program. If the first two issues could be eliminated, it would keep the third from "blowing through the corridor of Lebanon," and a redesign of the government would "minimize the effect of the storm."

SYRIAN CONCERN FOLLOWS THE SECOND BRAMMERTZ REPORT

¶9. (C) Mikati described his recent trip to Syria as a personal visit (paying a condolence call on Mustapha Tlas after the death of his wife) that included no political discussions or meetings with the Asad family. But Mikati described the Syrian reaction to the UNIIIC Commissioner Brammertz's second report, in which he drew stronger connections between the assassinations, as "worried."

SALAMEH FOR PRESIDENT

- 110. (C) Mikati would like to see Central Bank Governor Riad Salameh as the next president of Lebanon, based on his competence, solid ties with both Arabs and the West, and economic management track record. Salameh's performance during the Bank Medina scandal, where he tried to "do the right thing despite a bad atmosphere" demonstrates his integrity, in Mikati's opinion, and under Salameh Lebanon could be a strong state. Mikati assessed that even if the Syrians accepted Salahmeh, Lahoud would not. Thus, Nabih Berri's support would not be enough to override Lahoud's opposition, and Salameh would need protection if he did become president. (Comment: High level civil servants are prohibited from running for office until two years after they've left the civil service, and it would require a constitutional amendment for Salameh to take the presidency.) Charles Rizk is Mikati's second choice for president.
- 111. (C) Mikati recently met General Aoun for the first time and liked him, but does not support his candidacy for president because it would strengthen the pattern of a "state within a state." While they discussed Aoun's desire for a new cabinet and new ministers, Mikati is opposed because even if there was a new cabinet it would be impossible to make new ministerial appointments; if Hizballah ministers resigned there would be no new government, no state at all.

SINIORA MICROMANAGING RECONSTRUCTION, INFLATING COSTS

112. (C) Mikati's family runs an NGO based in Tripoli and that took on at least one bridge reconstruction project. He commented that Prime Minister Siniora is not accepting advice from his own government on reconstruction issues, and is depending entirely on his two advisors, Mohamad Chatah and Rola Noureddine. Furthermore the government is inflating the cost of reconstruction projects by a "ridiculous" amount; the bridge that Mikati's NGO rebuilt to international standards cost just USD 600,000, rather than the USD 2.4 million officials had requested.

COMMENT

113. (C) Mikati is not your run-of-the-mill pro-Syria
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Lebanese politician. He does not speak in polarizing, sensational language, and he does not peddle grand conspiracy theories about the alleged Hariri desire to take over Lebanon. He genuinely seems to like us. Moreover, he comes across as reasonable (and reasonably independent, although part of this is certainly posture). We believe that he is trying to position himself as the non-threatening, consensus-building alternative to a Hariri-backed Prime Minister. He was, after all, a competent manager of the cabinet during the difficult transition in 2005 between Omar Karami cabinet and that of Fouad Siniora. So his support of Riad Salameh for the presidency is not surprising: Mikati and Salameh both share the same desire to transcend their connections to Syria by playing up their technocratic and management skills. But we cannot imagine a scenario by which a March 14 majority would readily turn over two of Lebanon's top offices to political figures who still have a whiff of pro-Syria loyalties hanging over them. FELTMAN